

CHANGES FROM JULY

The Budget Message on the previous pages was presented on July 15, 2003. Changes were made subsequent to that date that are summarized below and reflected in the remainder of this document and adopted on September 16, 2003.

The City's budget does change from July to the public hearings based upon revised revenue and expenditure projections as well as City Commission policy decisions. The adopted budget as described on pages 1-8 was based upon actual receipts and expenditures through the end of July. In compliance with State Statutes, the millage rates initially set in July provide a cap beyond which the final adopted rates cannot exceed without additional notification to each property owner. The most significant changes from July included the following adjustments:

<u>Budget Adjustment</u>	<u>Value</u>
1. Close the Jail but Retain the Booking Operation	\$1,200,000
2. Retain the Current Frequency for Mowing Medians	(100,000)
3. Increase the Projected Revenue from Code Fines	150,000
4. Freeze for 6 months a new Assistant City Attorney and Legal Secretary, and freeze a vacant Clerk II for 3 months.	100,000
5. Reduce Costs for Cell Phones or Other Communication by One-Third	100,000
6. Retain the Programs at Sunrise Middle and Lauderdale High Pools	(50,000)
7. Reduce City Subsidy for the Air and Sea Show	150,000
8. Implement an Alarm Registration Program and Increase Response Fees	2,000,000
9. Provide More Realistic Overtime for Police and Fire-Rescue	(2,400,000)
10. Increase Projected Revenue from FPL Franchise Fees	200,000
11. Increase Projected Revenue from Construction Services	250,000
12. Employees Pay Commuting fee for certain take home cars	150,000
13. Borrow for Police Computer Needs	<u>400,000</u>
Total of Proposed Adjustments	<u>\$2,150,000</u>
Reduction in the Millage Rate	
Original Proposed Total Millage Rate Above Rolledback Rate	12.73%
Additional Saving	(1.57%)
Revised Total Millage Rate Above Rolledback Rate	11.16%

After adoption on September 16, 2003, the City Manager resigned and an acting City Manager was appointed. Significant budget adjustments were under consideration as this document was being published. These changes are available on the City's website www.fortlauderdale.gov.

GENERAL FUND

Overall, the General Fund revenue projection, including all sources, is an increase of \$9 million or 4% over the adopted FY 2002/2003 budget. The following table summarizes the revenue picture:

Table 1. Revenue Summary

<u>Resources Available</u>	FY 2002/2003 Original Budget	FY 2002/2003 Estimated Actual	FY 2003/2004 Adopted Budget
Ad Valorem Taxes – Operating	\$ 75,686,012	75,180,000	84,447,731
Ad Valorem Taxes – Debt	6,582,932	6,545,000	6,449,968
Franchise Fees	12,870,175	12,565,045	12,750,000
Utility Taxes	34,592,396	35,815,109	37,164,000
Licenses & Permits	8,044,977	9,707,509	8,675,438
Intergovernmental	16,611,958	16,718,912	15,350,000
Charges for Services	15,636,614	16,115,604	17,751,963
Fines & Forfeitures	2,207,100	2,920,865	2,642,200
Miscellaneous:			
Interest	1,011,900	461,794	455,700
Leases/Rents	2,159,834	2,100,596	2,078,926
Special Assessments	6,631,265	6,631,265	8,725,000
Other Miscellaneous	16,139,982	17,075,864	17,382,993
Non-Revenues:			
Working Capital Reserve	1,500,000	1,500,000	-
Prior Year Balance	5,956,773	5,718,652	86,330
Transfers	466,110	1,724,290	1,169,372
Total Resources Available	\$ 206,098,028	210,780,505	215,129,621

Ad Valorem Taxes – The adopted ad valorem or property tax millage rate for operating purposes is 4.8288 compared to the previous operating millage rate of 4.8472. In addition to the property tax levied for operating purposes, property taxes also include a separate debt levy which is used to pay debt service costs (principal and interest payments) on outstanding General Obligation (G.O.) Bonds. The current outstanding debt issues are 1987 bonds, which were refunded in 1992 and again in 1998. Debt service for that issue will be \$3,774,032 in FY 2003/2004 which will require a levy of \$4,017,947 and a millage rate of 0.2194 compared to the previous millage rate of 0.2388. The 1997 bond issue, which was refunded in 2002, requires a debt service payment in FY 2003/2004 of \$2,694,990, and requires a gross levy of \$2,725,025 and a millage rate of 0.1488 compared to the previous millage rate of 0.1825. The combined millage rate for operating and debt service for FY 2003/2004 is 5.1970, which amounts to a one percent increase in the rate.

Property taxes from the debt levy are shown as revenue to the General Fund and then transferred to the debt service fund. Accordingly, transfers from the General Fund to the debt service fund are in the amount of \$6,449,968.

By state statute, the operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. Adoption of any increase in the total levy beyond new construction or annexation is required to reference the rolled-back rate, which is the rate necessary to generate the same taxes as were received in the prior year. Compared to the rolled-back rate of 4.3403, the adopted operating rate is an 11.25 percent increase. The increase in the total rate is 19.7% over rolled-back. The "Save Our Homes" State Constitutional amendment limits the increase in assessed value to the Consumer Price Index. For this year, the limit is 2.4 percent. Over time, the limit essentially shifts the tax burden from residential property to non-residential property and newly purchased residential property. The average home was calculated from the 2002 tax roll for single family dwellings divided by the number of parcels.

Table 2. Impact of Property Tax Rates on Average Homeowner

	<u>Levied 2002/2003</u>	<u>Adopted 2003/2004</u>
Assessed Value	\$191,594	\$196,192
Homestead Exemption*	<u>25,000</u>	<u>25,000</u>
Taxable Value	\$166,594	\$171,192
Operating Millage	4.8472	4.8288
Debt Service Millage	<u>0.4213</u>	<u>0.3682</u>
Total Millage	5.2685	5.1970
Total Tax Bill	\$877.70	\$889.68

*In addition to the usual homestead exemption, qualifying seniors may also receive an additional \$25,000 if they are 65 or older as of January 1, 2003 and have a combined household gross adjusted income of no more than \$21,599.

Following is a comparison of current millage rates for Broward County taxing jurisdictions as well as larger Florida cities.

Table 3. Adopted Operating Millage Rates for FY 2003/2004

<u>Jurisdiction</u>	<u>Millage</u>	<u>Percentage</u>
Broward County Schools	8.1240	35.3%
Broward County	6.6065	28.7%
Fort Lauderdale	4.8288	21.0%
North Broward Hospital	2.5000	10.8%
Children Services	0.3920	1.7%
S. Florida Water Mgmt.	0.2840	1.2%
Hillsboro Inlet District	0.2490	1.1%
Florida Inland Navigation	<u>0.0385</u>	<u>0.2%</u>
	23.0228	100.0%

Table 4. Broward County Cities - Population and FY 2003/2004 Millage Rates

<u>City</u>	<u>Population</u>	<u>Rank</u>	<u>Operating</u>	
			<u>Millage</u>	<u>Rank</u>
Pembroke Park	6,566	26	8.5000	1
Hollywood	142,576	3	6.9163	2
Miramar	95,921	5	6.8700	3
Margate	54,070	14	6.7850	4
Hallandale Beach	34,908	16	6.7480	5
Cooper City	28,600	20	6.6870	6
Lauderdale Lakes	31,601	19	6.5327	7
Deerfield Beach	64,748	10	6.5205	8
Sea Ranch Lakes	727	29	6.5000	9
Dania	27,270	21	6.3900	10
Sunrise	87,489	6	6.2370	11
Wilton Manors	12,414	23	6.1005	12
Tamarac	56,881	13	5.9999	13
Oakland Park	31,738	18	5.9715	14
Lauderhill	57,839	12	5.8200	15
North Lauderdale	33,449	17	5.6792	16
Lazy Lake Village	38	30	5.4400	17
Davie	79,757	9	5.1086	18
Coconut Creek	47,471	15	5.0959	19
FORT LAUDERDALE	169,039	1	4.8288	20
Lauderdale-by-the Sea	6,243	27	4.7000	21
Pembroke Pines	147,753	2	4.5990	22
Plantation	83,968	8	4.2500	23
Parkland	18,312	22	4.1000	24
Pompano Beach	86,282	7	4.0271	25
Coral Springs	124,162	4	3.8715	26
Lighthouse Point	10,836	24	3.6107	27
Hillsboro Beach	2,217	28	3.5650	28
Southwest Ranches	7,415	25	3.0000	29
Weston	59,314	11	1.5235	30

**Table 5. FY 2003/2004 Operating Millage Rates As Adopted Per \$1,000
Of Taxable Value For Selected Florida Cities**

Jacksonville*	9.8398
Miami	8.7625
Hialeah	7.5280
Miami Beach	7.2990
St. Petersburg	7.0900
Hollywood	6.9163
Tampa	6.5390
Clearwater	5.7530
Orlando	5.6916
Gainesville	4.9413
Fort Lauderdale	4.8288
Pembroke Pines	4.5990
Coral Springs	3.8715
Tallahassee**	3.2000

*Jacksonville, which is consolidated with Duval County, may levy up to \$20 per \$1,000 of value.

**Tallahassee operates its own power company. Revenues from that operation heavily subsidize their general fund.

Franchise Fees - Franchise fees are payments made by Florida Power and Light (FPL) and Peoples Gas for the privilege of constructing upon and operating within the rights of way owned by the City. The basis for the fees is provided for in long-term agreements, which do not expire for several years. FPL, which is projected to pay \$12,350,000 of the \$12,750,000 estimated, remits 6 percent of its gross revenue derived from accounts within the City limits, less property tax and minor fees previously paid to the City. The projection for FY 2003/2004 reflects a minor increase from the current year's estimated actual due to the slow economy which is partially offset by an expanded tax base due to annexations.

Utility Taxes - The City levies a 10 percent utility tax on electric, gas, and water utility bills for customers within the City. The largest source for this revenue category is the State communications services tax which replaced the utility and franchise fees on telecommunication and cable television services. The tax represents 52% of the projected revenue based upon estimates from the Florida Department of Revenue. FPL comprises 39% of the total. Water utility taxes are anticipated to increase due to the proposed water rate increase and annexations.

Charges for Services - This is associated with revenue received from users of specific services, including fees for police, building inspection, planning, and docks as well as parks and recreation.

The major increase in this category is a police and fire alarm registration program and an increase in alarm response fees.

License and Permit Fees - License and permit fees include occupational licenses issued to authorize businesses to operate within the City limits, and development permits issued to authorize building and construction within the City limits. While it was estimated to bring in more permit revenue in FY 2003 than was budgeted, it is not anticipated that the trend will continue into the next fiscal year. Development permits will probably reflect a different mix than the large projects of recent years. Smaller projects will require at least as much staff review time as larger ones.

Intergovernmental Revenue - This revenue source is comprised of recurring State and County-shared revenue. The State of Florida shares motor fuel, alcoholic beverage license, and sales tax revenue with local government on the basis of population. Broward County provides gasoline and occupational license revenue. The revenue overall is projected to drop about 8% primarily due to declines in state-shared sales tax revenue, which has been affected by the national and state economic conditions.

Fines and Forfeitures - This revenue category includes fines for traffic and City Code violations collected by the County on our behalf through the judicial process. The revenue source has been stable but not growing. This category represents less than one percent of all General Fund resources.

Miscellaneous Revenue - This revenue source includes interest earnings, rents, the special assessment for fire-rescue, and interfund charges. The investment market has declined sharply and next year's projection is slated to decrease about 50%. The Fire assessment, which appears as a non-ad valorem charge on the tax bill, was increased from \$42 per household to \$63 per residential unit as planned in the City's five-year plan adopted in July.

Non-Revenues - Non-revenues consist of the working capital reserve, prior year balance, and transfers from other funds. The working capital reserve was created in FY 1993/1994 to provide additional protection against economic downturns and has been tapped to address the current year's drop in revenue. It is \$2 million in FY 2004. The prior year balance represents available funds from the current year to fund next year's budget. The FY 2002/2003 amount of \$5,218,652 differs from the budgeted amount (\$7,456,773) in that the estimate reflects encumbrances incurred in the previous year which were outstanding at September 30, 2002 offset by a lower balance available after the final closing of the books from the previous fiscal year.

GENERAL FUND**Table 6. Expenditure Summary By Department**

Resources Allocated		FY 2002/2003 Original Budget	FY 2002/2003 Estimated Actual*	FY 2003/2004 Adopted Budget
Administrative Services	\$	8,670,802	8,885,285	8,979,958
City Attorney		2,330,288	2,310,837	2,476,363
City Clerk		1,097,506	1,315,180	931,240
City Commission		259,942	257,342	290,841
City Manager		3,367,410	3,327,791	2,786,958
Community & Economic Development		6,277,219	6,083,742	6,257,768
Finance		3,733,937	3,598,411	3,656,261
Fire-Rescue		40,176,777	43,886,711	44,814,437
Office of Professional Standards		-	-	488,669
Parks and Recreation		29,378,339	31,104,350	26,565,199
Police		68,639,477	71,693,810	73,897,920
Public Services		21,511,490	21,538,329	21,230,884
Other General Government		2,425,152	2,776,056	3,838,967
Debt Service		373,650	435,463	514,783
Contingencies		1,835,000	-	1,000,000
Transfers Out		14,521,039	13,480,868	15,399,373
Working Capital Reserve		1,500,000	-	2,000,000
Year End Balance		-	86,330	-
Total Resources Allocated	\$	<u>206,098,028</u>	<u>210,780,505</u>	<u>215,129,621</u>

*Actual expenditures include projections for spending against prior year encumbrances.

It should be noted that in addition to the changes listed below, each department has made significant reductions that are too numerous to mention, in order to comply with the budget guidelines for the FY 2003/2004 fiscal year, including holding open vacancies during the remainder of FY 2002/2003 to generate savings. After budget adoption, significant reductions were again made, including additional position freezes, deletion of positions, and other expenditure reductions. However, since those occurred after the budget was adopted, they are not included below. Program highlights, as of October 1, 2003 include:

Administrative Services – Increases in this budget include additional crossing guard services for Arthur Ashe Middle School and Dillard Elementary and to fund their CPI contract increase for a total of \$57,000. Closing the Central Stores operation saved the General Fund \$500,000 in

overhead charges, increasing the Parking ticket fines enabled the General Fund to receive a transfer of \$425,000, and a transfer in from the Vehicle Rental Fund yielded \$138,000. In addition, \$85,000 was saved in Institutional Network charges.

City Attorney's Office – The adopted budget includes six months of funding for a new Assistant City Attorney III for \$77,000 and six months of funding for a new Legal Secretary for \$26,000, including for both positions all benefits, computers and other equipment.

City Clerk – This adopted budget is lower than the past year due to not having to fund elections. The temporary Secretary that was partially funded in FY 2002/2003 for the elections has been deleted.

City Manager's Office – The adopted budget provides for freezing for a full year a vacant Administrative Secretary position for \$60,000. The Office of Professional Standards, which has been a division of the City Manager's Department, is now a separate department and no longer reflected here.

Community and Economic Development – Three vacant Code positions have been frozen for a total savings of \$170,000.

Finance – The adopted budget continues to include the freezing of a vacant Accounting Clerk for \$28,000.

Fire-Rescue – An initial debt service payment of \$55,000 has been added for the purchase of Self Contained Breathing Apparatus and defibrillators, \$300,000 was added for new fire vehicles replacement charges, \$170,000 for bunker gear, \$175,000 for mobile data equipment, \$90,000 for an electronic reporting system, \$100,000 for a Receptionist and utility charges for the new fire station, \$70,000 for stretchers, \$65,000 for 11 months of funding for the Domestic Emergency Coordinator that was previously grant funded, \$36,000 for an increase in medical service, and \$25,000 for new Personal Aircraft Firefighting Proximity Protection gear. All of the above is being funded as a result of the increase in the Fire Special Assessment fee. The Domestic Emergency Secretary position will be grant funded. The other major change to this department is the transfer of the beach lifeguard function from Parks and Recreation for an increase of \$1,800,000.

Office of Professional Standards – This Office was established in FY2002/2003 within the City Manager's Department. For FY 2003/2004 it has become a department of its own.

Parks and Recreation – The beach lifeguards have been transferred to the Fire-Rescue Department for a reduction of \$1,800,000. Many positions, part and full time, have been frozen for a savings of over \$660,000 which will impact service levels throughout the Department, especially in maintenance and in recreation programming. The Stadium will close after Spring Training in April 2004 and those staff will be reallocated. The City will issue a Request For Proposal to gauge the interest of private parties for outsourcing the stadium management.

Police – The mounted patrol has been eliminated and those officers reassigned for a savings of \$460,000, and freezing vacancies as a result of the DROP will see a \$920,000 savings.

Public Services – This is another Department heavily impacted by the freezing of positions. These freezes, all vacant, include two Assistant City Engineers (one for three months only), an Engineering Assistant for three months, three other engineering positions, an Administrative Aide, an Administrative Assistant II, maintenance positions, a Planner II, a Secretary I and a Project Engineer for 3 months for a total savings of \$658,000. In addition, a vacant Community Planning Director has been eliminated for another savings of \$90,000.

Transfers – A transfer is an interfund transaction. Transfers out of the General Fund include resources for debt service (principal and interest) payments, contributions to the capital improvement program, the City's portion of the tax increment for the two Community Redevelopment areas, and grant matching dollars.

Table 7. General Fund Proposed Transfers

		FY 2002/2003	FY 2002/2003	FY 2003/2004
		Original	Estimated	Adopted
TRANSFERS IN		<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
CRA	\$	466,110	447,930	606,372
Law Enforcement Trust		-	168,679	-
General Capital Projects		-	22,000	-
Grants		-	150,000	-
Parking		-	75,000	425,000
Vehicle Rental		-	120,000	138,000
Total Transfers In	\$	<u>466,110</u>	<u>983,609</u>	<u>1,169,372</u>
TRANSFERS OUT				
CRA	\$	2,065,114	1,110,307	1,706,627
Miscellaneous Grants		112,240	128,848	-
General Obligation Bonds		6,582,932	6,545,077	6,449,968
Sunshine State		177,478	177,478	2,287,718
Excise Tax Bonds		2,762,091	2,778,263	2,773,463
General Capital Projects		2,539,621	2,398,200	806,320
Parking		127,129	-	-
Self Insurance		-	-	-
Central Services		29,157	-	-
Vehicle Rental		125,277	157,698	125,277
Transfer to FIFC		-	185,000	1,259,000
Total Transfers Out	\$	<u>14,521,039</u>	<u>13,480,871</u>	<u>15,399,373</u>

Other General Government – This category includes items that are considered a citywide expenditure such as the General Fund portion of retiree health benefits, telecommunications, tuition reimbursements, and disability health benefits. The Commission has in the past approved

funding for Area Agency on Aging for \$39,000 and Family Central for \$40,000. Those funds are included here. Other requests from community agencies may be considered during the year and would be funded from contingencies. A minimum amount of \$50,000 has been set up here to fund emergency computer replacement needs since those funds have been deleted from the individual departments as a budget savings need. However, for the Police Department, funds have been added here for debt service payments to fund short-term borrowing for their computer replacement needs. All funding for conferences, schools, and meetings has been deleted from the operating departments with the exception of those areas that receive reimbursements for these expenses. An amount of \$250,000 has been placed here to be allocated for those employees who have mandatory requirements to obtain professional certification credits throughout the year. A negative \$2.6 million has been placed here to reflect salary savings from positions that are anticipated to become vacant during the year and which will then be frozen. A total of \$2 million is included for additional contributions towards the self-insured health plans.

Contingencies – The purpose of contingencies is to provide funding for unanticipated demands after budget adoption. The FY 2004 budget is \$1 million.

Year-End Balance/Working Capital - Savings in the current fiscal year (revenues minus expenditures) represent a significant resource for funding future budgetary requirements. The City has traditionally appropriated all identified resources for service delivery except for working capital reserve which is funded at \$2 million for FY 2003/2004. This represents a rebuilding of the reserve that was applied to financial shortfalls in FY 2003.

SANITATION FUND

The Sanitation Fund provides the City with residential household garbage and yard waste collection, the operation of a trash transfer station, lot clearing, bulk trash collections, recycling and street cleaning services. Since the implementation of new service levels in early FY 1998/1999, we have continued to maximize the separation of clean yard waste in our programs resulting in a diversion of over 39,000 tons in FY 01/02. These service levels continue to work well with both our existing customers and our newer customers who joined the City as a result of annexation.

The remediation of the old Wingate Landfill and Incinerator site is finalized and based on the agreements between the City, other Potential Responsible Parties and the Environmental Protection Agency, continues to be financed with the 6% rate increase approved by the City Commission for this purpose in April 1995.

The FY 2003/2004 adopted budget for Sanitation is \$21,134,971. With the continued subsidy of the Trash Transfer Station, it was determined to close the facility to the general public. This closure will produce the required savings to offset any sanitation rate increases for FY 2003/2004. With these operational changes the City will be in compliance with the covenants of the Sanitation Revenue Bonds which require the net revenues to be at least equal to 135% of the principal and interest requirements for each fiscal year. However, the final decision to close the transfer station is not reflected in the adopted budget numbers, because the operational decision was made after budget adoption.

WATER AND SEWER FUND

The City of Fort Lauderdale supplies water and sewer services on a regional basis for over 300,000 residents of central Broward County. Areas serviced by the City's water treatment and distribution system include Fort Lauderdale, Port Everglades, Sea Ranch Lakes, Lauderdale-by-the-Sea, Oakland Park, Wilton Manors, Davie, Tamarac and portions of unincorporated Broward County.

The total FY 2003/2004 operating budget for the Water and Sewer Fund is \$42,429,081, which is an increase of \$1.5 million over the FY 2002/2003 budget. The Water and Sewer Master Plan Program is entering its third year with the first sewer projects to be online in the fall. The WaterWorks 2011 plan calls for an inflationary (approximately 2.5 %) rate increase every year for operating budget increases. Although the operating budget is essentially the same as last year, the past two fiscal years have had increases in Pension and Health payments and the overall increases to our operating budgets have exceeded the cost of living increases used for calculating the long term financial plan of WaterWorks 2011 program. These funding levels must be maintained to insure the best bond rating possible from the bonding agencies, which will then guarantee the best interest rates for future bonds required to fund the program. Therefore an additional 2.5% rate increase (for a total of 5%) is needed to insure the financial stability of the program.

The impact of a 5.0% rate increase on a residential customer using 10,000 gallons of water monthly amounts to \$2.71 illustrated as follows:

5% Effect on Water and Sewer Rates

<u>5/8 inch meter</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Fixed Charge	\$ 3.03	\$ 3.18	\$ 0.15
Water Commodity			
0-3,000 gals	0.99	1.04	0.05
4-7,000	1.70	1.79	0.09
> 8,000	2.51	2.64	0.13
Sewer Fixed Charge	3.53	3.71	0.18
Sewer Commodity			
0-3,0000 gals	2.30	2.42	0.12
> 4,000	3.19	3.35	0.16

5% Effect on Average Customer (10,000 gallons/month)

<u>5/8 inch meter</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Charge	\$20.33	\$21.38	\$ 1.05
Sewer Charge	32.76	34.42	1.66
Total	\$53.09	\$55.80	\$ 2.71

CENTRAL REGIONAL WASTEWATER SYSTEM FUND

The City of Fort Lauderdale, through Large User Agreements, operates the Central Wastewater Region to provide treatment services for Fort Lauderdale, Oakland Park, Wilton Manors, Port Everglades, and parts of Tamarac. These agreements, necessitated by federal funding requirements, establish the methodology for setting rates to large users. The City Commission establishes a billing rate based upon estimated expenses for the coming fiscal year. At the close of each fiscal year, the fund is audited and the actual rate determined. If necessary, lump sum rebates or charges are made to adjust the amounts paid during the year. In the past, the rate calculated at year-end has been less than the budgeted rate resulting in rebates instead of charges.

The FY 2003/2004 operating budget for the Central Regional Wastewater System is \$9,070,623 an increase of \$669,306, which translates to a 7.9% increase over the FY 2002/2003 budget. A meeting of the Wastewater Large Users Committee was held in August to set recommended rates for FY 2003/2004. Based on recent rebates, the Advisory Board does not feel this increase in budget requires an increase in the present rate of \$0.75 per 1,000 gallons of wastewater treated established by the commission last year. A billing rate of \$0.73 per 1,000 gallons of wastewater treated was endorsed by the Advisory Board and approved by the Commission.

STORMWATER MANAGEMENT SYSTEM FUND

The City's Stormwater Management program is entering its twelfth year of operation. Revenues collected are used for operating expenses and capital improvements directly related to the management of stormwater, including improvements designed to increase water quality in the City's waterways. Stormwater capital funds were used, for example, to fund those improvements in the Executive Airport/Fiveash Wellfield area, which are directly related to water quality. The FY 2003/2004 Stormwater operating budget is \$2,509,010, which is a slight decrease from the FY 2002/2003 budget. However, we have been spending down the reserves in the Stormwater Fund for capital projects and we recommend a 5% rate increase. This rate increase would slow down, but not stop the spending down of the reserves.

Billing will be based on the following rate schedule:

- Residential property with three units or less will be billed \$2.47 per month (\$0.12 per month increase).
- Commercial and industrial properties as well as multifamily residential with four units or more will be billed \$25.12 per acre per month (\$1.20 per acre per month increase).
- Property with low runoff characteristics, such as vacant land, parks and wellfields will be billed \$7.96 per acre per month (\$0.38 per acre per month increase).

PARKING SERVICES FUND

The City's parking system provides approximately 9,214 parking spaces located in four parking garages and 33 parking lots, as well as on-street parking. The FY 2003/2004 Parking Services operating budget is \$8,017,190, an increase of \$503,063 or 1% from the FY 2002/2003 budget. The Parking Enforcement component of the Parking Fund is now presented in the Police Department budget for FY 2003/2004.

Metered public parking is being explored for the City's planned Aquatic Center complex and, in addition, Parking is looking at a possible partnership with the First Baptist Church in downtown Fort Lauderdale. The obsolete AutoParq program has been replaced with new SmartPark meters that will be implemented in the last quarter of calendar 2003. In addition, Parking will implement a city-wide SmartCard system for customers to provide a convenient alternative to using coins in the City's meters. The Division is evaluating the feasibility of allowing area merchants to sponsor and sell the SmartCards for the convenience of their retail customers.

To reduce the turnover time for citation payments and to create more customer friendly payment alternatives, the Parking Services Division implemented the City's first Internet-based credit card payment option that has proven to be very popular with customers. In the first months of operation this year 7,700 citations were paid over the Internet. During FY 2003/2004, Parking Services also expects to implement an Interactive Voice Response (IVR) system for citation payments. Recently, Parking Services conducted and completed the first citywide "Parking Rate Study" for the City since 1981. The recommendations were the basis of the Commission's approval of a citywide meter rate change, which was implemented in stages commencing with the final month of FY 2002/2003. Citation rates were also increased and part of the additional revenue will provide more funding for the city's School Crossing Guard program.

Recapitalization work is underway at the City Park Garage and the City Park Garage Mall area. This work commenced on September 30, 2002 and is expected to take approximately 12 to 18 months to complete. Also, recapitalization work has begun at the City Hall garage and should be completed before calendar year ending 2003.

AIRPORT FUND

The Executive Airport Division of the Community and Economic Development Department develops, operates and promotes Fort Lauderdale Executive Airport and Industrial Airpark, the Downtown Heliport, and Foreign-Trade Zone #241. The Airport is self-sustaining, with revenue generated by land leases and fuel flowage fees. The Division administers 47 land leases for both aviation-related and Industrial Airpark land on the 1,200-acre property.

The FY 2003/2004 Airport operating budget is \$4,485,327, which is a very slight increase over the FY 2002/2003 budget.

Fort Lauderdale Executive Airport continues to play a key role in the City of Fort Lauderdale's economic development efforts by offering the types of facilities and amenities essential to business travelers. Executive Airport is unique in the Southeast in that it offers a 24-hour FAA

Air Traffic Control Tower, an Instrument Landing System, a 6,000-foot runway, Aircraft Rescue and Fire Fighting services, U.S. Customs, 24-hour security and a police substation on the property.

This award-winning Airport is home to over 700 aircraft, including 110 jets and 42 helicopters, more than any other airport in the Southeastern United States. Six Fixed Base Operators provide a full spectrum of services, including fueling, avionics, maintenance, charters, aircraft sales and leasing, and air ambulance. Eighty-six percent of the over 10.8 million gallons of fuel pumped at the Airport in 2002 was jet fuel. The total gallons pumped in 2002 increased by one million gallons over the total pumped in 2001.

A number of Capital Improvement Projects are under development to enable the Airport to be operated in a safe and efficient manner. The projects include: \$3 million Phase III security enhancements; construction of the \$2.8 million Aircraft Rescue and Fire Fighting/ Emergency Operations Center/Fire Station #88 facility; \$2 million rehabilitation of Runway 8/26, and \$200,000 for installation of identification and directional signage around the airport roadways and entrances.

The Airport recently celebrated the one-year anniversary of the elevated Downtown Helistop, which provides a vital transportation link to the City's Central Business District. The new facility offers one landing and one parking position and a fully furnished lobby. The Downtown Helistop is a convenient option to surface transportation for people traveling from Miami, West Palm Beach, and as far away as Orlando and Tampa.

As a means of continuing to promote economic development opportunities in the area, the entire Airport and six other sites have been designated as Foreign-Trade Zone #241. This designation will help Airport tenants conducting international business to defer, reduce, or even eliminate costly duties or excise taxes, thus making the tenants financially stronger and more competitive.

The Airport's mission is to attract business to the area and help those businesses prosper while being a benefit to the community. As part of that mission, the Airport Division will continue to maintain the airport in a way to provide the facilities necessary for the safe operation of aircraft using the Airport. In addition, the Airport Division will also maintain the new Downtown Helistop facility in a similar manner as well as actively market and promote the use of the facility and the Downtown Fort Lauderdale Business District.

SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT

In accordance with State Statute regarding safe neighborhood districts, the following budget is based upon a millage rate of 0.75 mills.

Insurance	\$ 4,500
Accounting, Audit & Administration	4,200
Vehicle Expenses	4,200
Repair and Maintenance	2,500
Security	26,000
Landscaping/Pest Control	2,400
Contingencies	<u>1,200</u>
Total	\$45,000